

Food (1954) Department.

MS SERIES.

G.O. No. 605
605

Dated 19.7.49
19.7.49

[Despatch Abstract.]

Food position and other cognate matters- Madras province Discussion held with H.M. Food (India) at Madras during 1st week of June 1949 papers recorded.

FOOD BUDGET.
(Figures in tons)

Items.	Rice	Wheat & Wheat products	Other grains	Total.
1	2	3	4	5
I. Offtake in June to Oct. 1947 when the scale of ration was 8 oz. rice and 2 oz. other grains.	679,606	7,624	96,679	783,909
II. Add 2% for increase in population since 1947.	13,392	152	1,934	15,678
III. Add for increase of ration by 2 Oz. of other grains (semolina) which may be assumed to be 100,000 tons.			100,000	100,000
IV. Add additional quantity required to feed 15% of the population in 6 districts where conditions are particularly bad.	60,000		13,600	73,600
V. For Pudukottai and Banganapalle, which have since merged in this Province at 2500 tons a month.	12,500			12,500
VI Total requirements.	765,698		219,989	985,687
ASSETS.				
VII Stocks on 1-6-49.	450,000	22,100	27,800	499,900
VIII Procurement from 1-6-49 to 31-10-49 (Procurement from 1-1-49 to 31-10-49 was estimated at 11,20,000 tons. Deducting 888864 tons procured from 1-1-49 to 31-5-49 the balance that will be procured is.	221,136		10,000	231,136
VIII. Balance of imports due from				
IX India expected to be received before 31-10-49.	22,316	55,900	96,295	174,511
X Total assets.	693,452	212,095		905,547
XI Deficit. (VI-X)	-72,246	-7,894		-80,140
XII. Add Buffer for one month 180,000 tons aimed in p.9(s)	135,000	- 45,000		-180,000
XIII. Total deficit.	207,246	52,894		260,140

or 260,000 tons in round figures.

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Board of Revenue (Civil Supplies)
ABSTRACT.

Rice - Increased allotment from extra- Provincial Sources-
Requested.

Bd's Ref. No. 71202-U1(2) /49.2.CS.
MADRAS, DATED 10th June 1949.

From

C.K. Vijayaraghavan Esq., I.C.S.,
Commissioner of Civil Supplies.

Sri K. Subba Rao, B.A.,
Joint Secretary to the Commissioner of Civil Supplies.

Read: 1) Board's Reference No. 71292-U1(2)/49-1 dated 1-6-1949.
2) Note on the Food Position in Madras and Cognate
matters prepared by Government.

From the note cited it is seen that the total deficit has been estimated at 2,60,000 tons comprising 2,07,000 tons of rice and 53,000 tons of other grains. It is also stated therein that an additional quantity of 1,50,000 tons of rice and 50,000 tons of other goodgrains will be necessary. The Board observes that the requirements of food grains for the rest of the year have been estimated with reference to the actual offtake during the period June to October 1947. The Board submits that this estimate of requirements is high due mainly to the fact that the offtake referred to above relates to the consumption of foodgrains in the entire province, i.e. not only the deficit districts, but also the surplus districts where both statutory and informal rationing was in force during the period of June to October 1947. The scale of ration was 20 oz. rice per adult per diem during the period 1-6-47 to 12-7 47. Besides, it is not proposed to introduce rationing either statutory or informal in all the surplus districts to introduce rationing either statutory or informal in all the surplus districts during this year. Rationing in surplus districts will be limited to only a few municipal towns in the north and to the upland taluks in that area where there is likely to be some deficiency in goodgrains. As the requirements of rice for consumption in the areas to be rationed and in the non-rationed areas of the northern surplus districts will be met from the procurement in those districts and as no assistance will be required by these districts from outside, the Board considers that the food budget should strictly relate to the deficit districts of this Province and not for the entire province.

2. Secondly the procurement for the rest of the year i.e. the quantity of rice likely to be procured from 1-6-49 to 31-10-49 has been estimated at 2,21,136 tons of rice and 10,000 tons of millets on the basis of 13,00,000 tons estimated for the whole year 1948-49. This estimate appears to be somewhat on the low side as the target has since been revised and refixed at 15,14,900 tons of rice. It will also be seen from para 5 of the note that the actual procurement amounted to 93% of the target fixed for 1945-46, 83% in 1946-47 and 77% in 1947-48. It should be possible to procure at least 90% of the target this year on account of the increase in the village site price of foodgrains sanctioned by the Government. The actual procurement this year may, therefore, be estimated at 13,63,400 tons of rice as against 13,00,000 tons originally estimated. The estimate of requirements has been limited to deficit districts alone as the requirements of non-producers etc. in the surplus districts are met from out of locally procured stocks. The quantity

The quantity likely to be exported has been estimated in detail and given in appendix. I. Details in regard to the estimated quantity of rice likely to be procured in the deficit districts in the rest of the year is given in Appendix III. It will be seen herefrom that the estimates have been made with reference to actual procurement in previous years and the quantity procured already this year and cannot therefore be considered high. The balance of import quota of rice likely to be received from other provinces and States in India and from Overseas for the rest of the year is given in Appendix II.

3. The Government of India have fixed the ceiling import quota of all cereals to be supplied to this Province from the year 1949 at 4 lakhs tons. This quota comprises 80,000 tons of rice, 1,20,000 tons of wheat and the balance of 2 lakhs tons as other grains (milo, maize etc.). The position regarding wheat and other grains is explained below:

(a) Wheat: The stock of wheat and wheat products on 21-5-49 was 20,107 tons of wheat 1,879 tons of maida and 3,764 tons of semolina. Including the quantity of 5031 tons of wheat in transit the stock of wheat works out 25,138 tons. The actual offtake of wheat is very low in this Province and amounted actually to 4664 tons in February 1949, 5063 tons in March 1949, and to 5045 tons in April 1949 for four weeks or 28 days. Assuming March a consumption of 6000 tons for a month, the stock on hand is sufficient to meet the need of this province for the next four months. Besides, out of the basic quota of 1,20,000 tons of wheat and wheat products for this year, nearly 41,736 tons have been received and there is a balance of 78,264 tons yet to be received. As the offtake is very low on account of the high price of wheat and the non-stability of it for consumption in rural areas, the present stock with the expected arrivals is expected to meet the requirements of this province leaving a sufficient quantity as buffer stock at the end of the year.

(b) As regards other grains (Millet's including milo and maize) the theoretical requirements of millet's for the province (deficit districts) on the basis of population works out to nearly 30,000 tons per month. The actual offtake amounted to 10,952 tons in February 49, 10,108 tons in March 1949 and 13,336 tons in April 1949 for a month of 28 days. The low offtake in these months is due partly to the fact that millet's were available with the partial producers and wage earners after harvest and partly to low stocks in some deficit districts. The offtake is expected to increase considerably during the coming lean months. The closing stock of millet's amounted to 22,236 tons of millet's including milo and 5,991 tons of maize during the week ending 21-5-49. Against the ceiling quota of 2 lakhs tons a quantity of 65,186 tons of maize and milo has been allotted to this province and there is a balance of 1,34,814 tons to be allocated during the period June to December 1949. As this province has to receive on an average 19,259 tons or two ships per month during the rest of the year, besides the stocks on hand and as the harvests of the early millet's are likely to commence in September-October the present stock with the expected arrivals has been considered sufficient to meet the demands.

4. The statement below gives the food budget in respect of rice for the rest of the year on the basis of assumptions given in para 2 above. In view of the position explained in para 3 above a separate food budget for wheat and wheat products and other grains (millet's including milo and maize) has not been worked out.

:0:
(FIGURES IN TONS).

1) Estimated requirements of rice for the period June to December 1949 at 8½z of rice per adult per diem for the deficit districts of this province.	7,10,000
2) Estimated requirements of Banganapalli (200) and Pudukottai (1400) which have since been merged in this Province at 1,600 tons a month.	11,200
(2) (a) Estimated quantity required for buffer stock.	1,00,000
Total requirements of rice	8,21,200

ASSETS.

3) Estimated stocks in deficit districts as on 1-6-49.	2,46,600
4) Estimated quantity likely to be moved during the rest of the year (1,87,500 tons upto the end of October, 49, and 89,000 tons in November and December 1949).	2,76,500
5) Quantity expected to be received from other areas in India and from Overseas during the period June to December 1949 (27989 minus 5673 Appendix II).	22,316
6). Quantity expected to be procured in the deficit.	2,00,000 = 7,45,416
the deficit districts during the period June to December 1949. (137200 (June to October Appx.III) plus 13000 Nov. plus 13000 Nov plus 50,000 December).	

Net deficit.	75,784 or 76,000 roundly.
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The above budget takes credit for the procurement of 50,000 tons in December 1949. This quantity will not, however, be actually available for consumption in that month. Further it is doubtful whether the entire quantity of 2,76,500 tons estimated to be moved during the rest of the year from the surplus to the deficit districts will be moved within the period considering the fact that this period covers the lean months of the year when procurement and export in the surplus districts is difficult. It will not therefore be safe to count on the export of more than 2,50,000 tons from the surplus districts. Taking these aspects into consideration the total deficit in rice may be estimated at 1,50,000 tons. As already explained above this province does not require any additional allotment of wheat or other grains. The Board therefore requests that the Government of India may be pressed to allot an additional import quota of 1,50,000 tons of rice, raising the ceiling import quota for rice for 1949 to 2,30,000 tons.

Sd.
for Joint Secretary.

To
The Secretary to Government, Food Department, Madras with
enclosures.

True Copy.

Memo No. 20719 A/49- 2 dated 14-7-1949.

Sub: Rice- allotment from extra- Provincial Sources- proposals.

Ref: From the Board of Rev. Ref No. 71292- UI: (2)/49
- 2 CS d/10-6-49.

The Government agree with the Board of Revenue that the Food budget for the rest of the year, that is; up to 31-12-49 may be in respect of rice only. They are, however, unable to accept its estimates of the procurement and offtake and the net anticipated deficit at the end of December 1949 for the reasons explained below:---

I. Procurement.

The Board's estimate of the procurement of rice from November 48 to October 49 seems a bit too high. It is no doubt true that 15 lakhs of tons of rice were procured in 1946-47 were very much better than what they were in 1947-48 or 1948-49. ~~a bit late~~ Again procurement was started in 1948-49 a bit late and save stocks must have escaped procurement. The Board seems to have adopted the figure of 13,63,400 tons for the main reason that procurement this year up to 31-5-49 has registered an appreciable increase over the procurement during the corresponding periods in 1946-47 and 1947-48. But the production has gone down this year as compared with these two years and the total availability could not have therefore increased. It is not therefore safe to assume that Government would be able to procure more than 13 lakhs of tons in the current kharif year. No doubt owing to the tightness of the money market there was a more easy flow of paddy into the market immediately after the harvest but now it is slackening. The procurement during the three weeks ending with 18-6-49 is considerably less than what it was not only in the previous weeks but also during the corresponding periods of the previous years. Since then, procurement is going down still further week after week. Further it is too early to speculate on the results of the S.W. Monsoon. In these circumstances the Government consider that there is a need for caution in preparing the food budget and it is needless to say that out of the two defects over-estimation of availabilities would constitute an far more serious danger than an under-estimation. The original estimate of 13 lakhs of tons of rice for procurement during the current Kharif year furnished by the Government to the Government of India at the Delhi Food conference on 1-2-49 ^{therefore} Does not call for any revision and is therefore adhered to. ^{wide} notes on food conference held on 1-2-49 enclosed with this Dep't's d.o. no. 5286 AII/X 49-1- dated 7-2-49 to Mr. Hejmadi.

(*) But the actual conditions in 1946-47

II. Offtake.

Here again the Board's estimate of requirements for the coming months seems to be an under-estimate. The requirements of the deficit districts from 1-6-49 to 31-12-49 have been estimated by the Board at 7,10,000 tons for the period June to December 1949 or roughly 1,01,500 tons per mensem. But the Government observe from the statement for the week ending 18-6-49 that off take of rice during that week for the whole Province was 32,248 tons. The offtake for the deficit districts ^{above} amounted to 26,423 tons. The offtake is bound to increase in the coming weeks 29000 tons per week does not seem to be an over-estimate of the offtake in the coming months. Calculated in this manner the monthly offtake would amount to 1,25,000 tons against 1,01,500 tons adopted by the Board.

(*) therefore

taking the above considerations into account the Government have worked out a revised food budget a copy of which is forwarded to the Board for information. It will be seen from this budget that the deficit on rice only up to the end of Dec. '49 would roughly amount to 2 lakhs of tons of rice. The Government of India have been addressed separately to allot this quantity of 2 lakhs of tons of rice to this Province for the period June to December 1949 inclusive, in addition to the balance outstanding against the original quota of 80,000 tons.

to the Board of Revenue.
Copy of Statement at N.

Sd 7 77

14.7.49

True Copy

NOTE FILE:**NOTE FOR CIRCULATION.**

The file relates to the food prospects in Madras Province for the rest of the current calendar year that is, up to 31-12-49 and the estimated amount of the expected deficit that has to be made good by allotments from the Centre if the present scale of rice ration is to be maintained.

2. At the Food Conference held at New Delhi on 1.2.49, Secretary made it clear to the Government of India that, as the position stood then Madras Province would require an allotment of at least 758,500 tons (7½ lakhs of tons) of foodgrains from the Centre up to the end of October 1949 if the overall present scale of 12 ozs. in the statutorily rationed and rural areas was to be maintained. on the basis of a statement worked out by him vide p. 9/ (s). The procurement of rice for the whole of the current kharif year 1948-49, i.e., Nov. 48 to Oct. 49 was then estimated at 13 lakhs of tons.)

3. During the visit of H.M. Food (India) to Madras in the 1st Week of June 1949 a Note on the Food prospects in this Province during the period June to Oct. 1949 was prepared and the matter was discussed with him in all its details. In this connection, a food budget for the province as a whole for the period - June to October 1949 was prepared as at p. 53 cf. on the model of the one prepared by Secretary for the Delhi Food Conference held on 1-2-49. The total deficit of all foodgrains for the province for the period according to this budget worked out to about 2,60,000 tons, comprising 2,07,000 tons of rice and 53,000 tons of other grains.

4. The Board of Revenue (Civil Supplies) has in its referenceⁿ at pp. 61-63 cf. has pointed out that the Government's estimate of requirements is too high, that the available stocks of wheat and wheat products and other grains are more than sufficient to meet our requirements for the rest of the year and that it will be sufficient to prepare our budget for rice alone. ~~It has also stated that, as the requirements of rice alone.~~ It has also stated that, as the requirements of rice for consumption in the areas to be rationed and in the non-rationed areas of the northern surplus districts will be met from the procurement in these districts and as no assistance will be required by these districts from outside, the food budget should strictly be confined to deficit districts of the province and not for the entire province. It has also observed that the estimated procurement of 13,00,000 tons for the whole year 1948-49 which has been taken into account by the Government in calculating the food budget at pp 53 cf. is somewhat low and that the figure may be put at 13,63,400 tons, of rice for the reasons stated in para 2 on p 61 cf. The Board has accordingly prepared a food budget for the deficit districts and in respect of rice only for the rest of the entire calendar year 1949, i.e., up to 31-12-49 as against the period up to 31-10-49 to which the food budget referred to in para 3 above relates. The net deficit of rice at the end of December 49 works out to only 76,000 tons of rice according to this budget prepared by the Board.

5. The Board's estimates of the procurement and off-take seem to be generally defective as shown below:--

(a) Procurement.

The Board's estimate of the procurement of rice from No. 48 to Oct. 49 at 13,63,400 tons seems a bit too high. It is no doubt true that nearly 15 lakhs of tons of rice were procured in 1946-47. But the seasonal conditions in 1946-47 were very much better than what they were in 1947-48 or 1948-49. Again procurement was started in 1948-49 a bit late and some stocks must have therefore escaped procurement. The Board seems to have adopted the

the figure at 13,63,400 tons for the main reason that procurement this year up to 31-5-49 has registered an appreciable increase over the procurement during the corresponding periods in 1946-47 and 1947-48. But the production has gone down this year as compared with these two years, and the total availability has certainly not increased. It is not therefore safe to assume that we would be able to procure more than 13 lakhs of tons. No doubt owing to the tightness of the money market there was a more easy flow of paddy into the market immediately after the harvest but now it is slackening. The procurement during the last 3 weeks is considerably less than what it was not only in the previous weeks but also during the corresponding periods of the previous years. Further it is too early to say how the S.W. Monsoon will behave. In view of these circumstances, there is certainly a need for caution in preparing the food budget and it is needless to say that an over estimation of availabilities would be a far more serious danger than an under estimation. The original estimate of 13 lakhs of tons of rice for procurement during the current kharif year furnished to the Government of India at the Delhi Food Conference on 1.2.49 therefore seems to call for no revision and may be adhere to. A

(b) Off take.

Even here the Board's estimate of the requirements for the coming months seems to be an under estimate. Taking the deficit districts alone to which the Board's estimate is confined, the requirements of these districts from 1-6-49 to 31-12-49 have been estimated by the Board at 7,10,000 tons or roughly 1,01,500 tons per mensem. But it is found from the off take statement for the week ending 18-6-49 that the off take of rice for the whole province was 32,248 tons. The off take for the deficit districts alone amounted to 26,423 tons. The off take is bound to increase in the weeks to come. 29,000 tons per week does not therefore seem to be an over estimate of the off take in the coming months. Calculated in this manner the monthly off take would amount to 1,25,000 tons against 1,01,500 tons adopted by the Board.

taking the above considerations into account a revised food budget has been worked out by the Secretary and is for perusal at (N). It will be seen from this that our deficit in rice alone up to the end of December 1949 would roughly amount to 2 lakhs of tons. The Government of India may therefore be pressed to allot 2 lakhs of tons of rice to this Province for the period June to December 1949 inclusive in addition to the balance outstanding against the original quota of 80,000 tons. B

The case may be circulated to H.M. (Food)

A. & B above may be approved.

Orders in circulation above:

As already ordered at M on p. 1 of the R. Note at L below a copy of the note for circulation at pp 15-16 above as also a copy of the statement at N may be given to C. section for addressing the Government of India on the lines ordered.

A.S.

Necessary extracts have been given to C. Section. The papers may now be recorded as @.

Should you not give
a reply to the Board?
Put up a draft please
S. A.
22.7.49

G.O. Ms. No. 605 d/19-7-49.
Food position and other cognate
matters: Madras Province Discussions-
held with H.M. (food) (India)
at Madras during 1st Week of June
1949 papers recorded.

Orders at X on p 16 above.

Orders at X on p 16 above.

A draft Memo to the Board with reference to its reference at pp 61-63 cf. is submitted below for approval .

The papers may be recorded as G.O. Ms. after issue.

(Issued as Memo. No. 20719 . A/49-2 Food d/14-7-49)

True Copy

MG

R. Jeyarajan
Office Assistant,
Madras Record Office,

[Signature]
21/4/49